
Medicare Hospice Manual

Department of Health and
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 64

Date: NOVEMBER 1, 2001

CHANGE REQUEST 1442

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
402.3 - 402.4	4-3 - 4-4 (2 pp.)	4-3 - 4-4 (2 pp.)

NEW/REVISED MATERIAL---*EFFECTIVE DATE: April 1, 2002*

IMPLEMENTATION DATE: April 1, 2002

Section 402.3, Inpatient Respite Care, is revised to add language specifying the MSN and EMOB numbers to be used when a respite stay exceeds the 5 consecutive day limit and payment is being reduced for all following days.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

401. GENERAL

With the exception of payment for physician services (see §406), Medicare reimbursement for hospice care is made at one of four predetermined rates for each day in which a Medicare beneficiary is under the care of the hospice. The four rates are prospective rates; there are no retroactive adjustments other than the application of the statutory "cap" on overall payments and the limitation on payments for inpatient care. The rate paid for any particular day varies depending on the level of care furnished to the beneficiary. The statutory "cap" (calculated by the Medicare intermediary) and the limitations on payment for inpatient care are described in sections that follow.

402. LEVELS OF CARE

There are four levels of care into which each day of care is classified:

- A. Routine Home Care
- B. Continuous Home Care
- C. Inpatient Respite Care
- D. General Inpatient Care

For each day that a Medicare beneficiary is under the care of a hospice, the hospice is reimbursed an amount applicable to the type and intensity of the services furnished to the beneficiary for that day. For levels A, C, and D only one rate is applicable for each day. For level B, the amount of payment is determined based on the number of hours of continuous care furnished to the beneficiary on that day. A description of each level of care follows.

402.1 Routine Home Care.--The hospice is paid the routine home care rate for each day the patient is under the care of the hospice and not receiving one of the other categories of hospice care. This rate is paid without regard to the volume or intensity of routine home care services provided on any given day, and is also paid when the patient is receiving hospital care for a condition unrelated to the terminal condition.

402.2 Continuous Home Care.--The hospice is paid the continuous home care rate when continuous home care is provided. (See §230.2A.) The continuous home care rate is divided by 24 hours in order to arrive at an hourly rate. A minimum of 8 hours must be provided. For every hour or part of an hour of continuous care furnished, the hourly rate is paid for up to 24 hours a day.

402.3 Inpatient Respite Care.--The hospice is paid at the inpatient respite care rate for each day on which the beneficiary is in an approved inpatient facility and is receiving respite care. (See §230.2B.) Payment for respite care may be made for a maximum of 5 days at a time including the date of admission but not counting the date of discharge. Payment for the sixth and any subsequent days is to be made at the routine home care rate.

For hospice claims on which the respite care rate is not allowed because the five consecutive day limit is exceeded, use the following messages to notify the beneficiary:

o MSN message 27.12: "The documentation indicates that your respite level of care exceeded five consecutive days. Therefore, payment for every day beyond the fifth day will be paid at the routine home care rate."

o EOMB message 16.98: "The documentation indicates that your respite level of care exceeded five consecutive days. Therefore, payment for every day beyond the fifth day will be paid at the routine home care rate."

The Spanish translation for this message is as follows:

"La documentación indica que su nivel de cuidado temporero excedió 5 días consecutivos. Por lo tanto, el pago por cada día después del quinto (5) día será ajustado a la tarifa de cuidado rutinario en el hogar."

ó=alt 162

í=alt 161

é=alt 130

402.4 General Inpatient Care.--Payment at the inpatient rate is made when general inpatient care is provided. (See §230.1E.) None of the other fixed payment rates (i.e., routine home care) are applicable for a day on which the patient receives hospice inpatient care except as described in §402.5.

402.5 Date of Discharge.--For the day of discharge from an inpatient unit, the appropriate home care rate is to be paid unless the patient dies as an inpatient. When the patient is discharged deceased, the inpatient rate (general or respite) is to be paid for the discharge date.

403. HOSPICE PAYMENT RATES

The hospice rates, before area wage adjustments, for each of the categories of care described above, are as follows:

Routine Home Care Rate	\$97.11
Continuous Home Care Rates	\$566.82 Full Rate-24 hours of care
	\$23.62 Hourly Rate
Inpatient Respite Care Rate	\$100.46
General Inpatient Care Rate	\$432.01

These rates are in effect for services provided on or after October 1, 1998 through September 30, 1999.

404. LOCAL ADJUSTMENT OF PAYMENT RATES

The payment rates above are adjusted for regional differences in wages. The hospice wage index is published in the *Federal Register* each year, and is effective October 1 of that year through September 30 of the following year. Current wage index values can be obtained from the *Federal Register* Notice announcing the update or from your intermediary. To select the proper index for your area, first determine if your hospice is located in one of the Urban Areas listed in Table A of the *Federal Register* notice. If so, use the index for your area. If you are not listed as one of the Urban Areas, use the index number of the rural area for your State, listed in Table B of the *Federal Register* notice.

Once you determine the index for your area, the computation of the rates for your hospice can be made using the following tables in this section. Table I indicates the portion of each of the rates subject to the wage index. Table II is an example of the computation of wage adjusted rates for a hospice located in Baltimore, Maryland, using the index number of 1.0549. Table III is used to compute the rates applicable to your hospice. The wage adjusted continuous care rate can then be divided by 24 to determine the hourly billing rate.